



Date: 28 October 2022

GUIDELINES NO. FIU/G-2/2022/2

APPENDIX 1: LIST OF RED FLAG INDICATORS



1. LIST OF RED FLAG INDICATORS

1.1. This list is not inclusive and may be updated at any time

No.	Item
General	
1	Customer admission of criminal activity
2	Adverse reports – international
3	Adverse reports on commercial databases
4	Adverse reports on local press
5	Appear on UNSC and/or OFAC or other list
6	No economic justification
7	Physical cash presented in unusual condition
8	Purchase of real estate without seeing the property
9	Early surrender of insurance
10	Use of gatekeepers
11	Use of Hawala or alternate money remittance
12	Use of new payment technologies / methods
13	Use of nominees and trusts
14	Use of offshore financial services
15	Use of personal account instead of business
16	Use of shell companies
17	Use of virtual currency or cryptocurrency
18	Use of casinos and gaming activities
19	Suspect has a criminal record
20	Suspect is a foreigner or non-resident
21	Customer is a public servant
22	Customer is unemployed, a housewife, student, retiree or pensioner
23	Use of charity (Non-Profit Organisations)
Documentation	
24	Discrepancies in supporting documents
25	Use of falsified documents
26	Suspect uses different names on sales agreement and payment
27	Use of family members and third parties
28	Source of funds is from another bank
Customer Behaviour	
29	Suspect is reluctant to explain their transactions
30	Suspect refuses to provide further information
31	Suspect does not know how much money is being exchanged
32	Suspect does not know details of transaction (e.g beneficiary and source of fund)
33	Suspect gives conflicting explanations of transaction(s)
34	Suspect is an Insider no longer affiliated with your institution
35	Suspect is an Insider still affiliated with your institution

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36	Suspect seems to act on behalf of third party
37	Participation in organised criminal group / racketeering
38	Customer initiated the closing of account(s)
Transaction	
39	Activity does not match client profile
40	Currency exchange is done for a third party
41	Dormant account suddenly active
42	Early settlement of term loan/ financing
43	Exchange of low denomination notes to high denomination notes ('refining')
44	Explosive growth in company account over short period of time
45	High frequency of cash deposits
46	Income is disproportionate to business activity
47	Insurance premiums are paid by companies abroad
48	Large purchase(s) made with cash
49	Money transfer is done for a third party
50	Multiple just-below threshold transactions
51	Multiple transactions in round denominations
52	Multiple transfers to the same beneficiary
53	Receiving money transfers from high risk countries
54	Dealings with a Shell Bank
55	Smurfing – multiple financial transactions conducted by different individuals or entities what would otherwise be a large transaction that can be conducted by one person.
56	Structuring- to break large financial transaction into a series of smaller transactions to avoid reporting requirement
57	Sudden increase in activities
58	Transaction amount is disproportionate to income
59	Transaction conducted by 3rd party that have no apparent connection
60	Transactions involve jurisdictions with poor AML/CFT regime
61	Transfer of funds between company accounts (SDN BHD to non-SDN BHD)
62	Transfer of funds between a company to a personal account
63	Use of business account instead of personal
64	Use of minor accounts
65	Over Credit Limit Threshold in Credit Cards
66	Cash deposits with no rationale
67	Cash withdrawal immediately following a large inward transfer
68	Multiple transfers to a beneficiary from various persons
69	PEP's account sees purchases beyond salary deposits
70	Purchase of bulk goods from a personal account
71	Transfer of funds have no clear economic purpose
72	Transfer of funds overseas immediately following a large inward fund transfer
73	Transfer of funds overseas to a high-risk jurisdiction or sanctioned country
74	Transfer of funds overseas to a high-risk corporate vehicle (trust company)

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75	Money mule (i.e. the account owner)
76	Proliferation financing
77	Involves international PEPs
78	Involves local PEPs
79	Purchase of securities or high value goods
80	Denomination conversion
81	Use of personal account instead of business
82	Cash settlement of term loan/financing
83	Cash settlement of credit card debt